## Message Text

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**ACTION EB-07** 

INFO OCT-01 ARA-06 ISO-00 SSO-00 INRE-00 CAB-02 CIAE-00

COME-00 DODE-00 DOTE-00 INR-05 NSAE-00 RSC-01 FAA-00

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E.OM QQYTWC N/A

TAGS: EAIR, EC

SUBJECT: CIVAIR CONSULTATIONS

1. GOE ADVANCED COUNTERPROPOSAL AT THIRD MEETING MORNING NOVEMBER 20, ESSENTIAL FEATURES OF WHICH WERE:

A. EACH AIRLINE WOULD RETAIN FREQUENCY AUTHORIZATIONS THEY NOW HAVE. THAT IS, IN GOE VIEW, 7 ROUNDTRIPS FOR ECUATORIANA AND THE 8-1/2 ROUNDTRIPS FOR BRANIFF SPECIFIED IN ITS MARCH 14, 1973 PERMIT (SEE QUITO A-66).

- B. NEITHER SIDE COULD REDUCE THESE LEVELS FOR AIRLINE OF OTHER SIDE, NOR COULD AIRLINES INCREASE FREQUENCIES, WITHOUT BILATERAL CONSULTATION AND AGREEMENT.
- 2. WE, OF COURSE, REJECTED THIS AS COMPLETELY UNACCEPTABLE BECAUSE IT WOULD REDUCE BRANIFF BELOW LEVELS OPERATED THIS SUMMER (BEFORE OCTOBER SUSPENSIONS), BECAUSE WE COULD NOT ACCEPT BILATERAL A PRIORI PREDETERMINATION, AND BECAUSE GOE GIVING U.S. NOTHING FOR WHAT GOE WANTED. GOE DEFENDED ITS PROPOSAL ON STERILE, LEGALISTIC GROUNDS, APPARENTLY UNWILLING COME TO GRIPS WITH REAL ISSUES.
- 3. DURING COFFEE BREAK, MEMBER GOE DEL MADE OVERTONE SUGGESTING LIMITED OFFICIAL USE

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PRIVATE MEETING BETWEEN STYLES AND SUAREZ. WE EXPRESSED INTEREST

AND SUCH MEETING WAS HELD IN AFTERNOON. SUAREZ EXPRESSED NEED PROTECT ECUATORIANA, NOTING GOE ALSO RESTRICING AIR PANAMA, LAN, AND IN FEBRUARY LUFTHANSA. HE SAID HE FELT 17 FREQUENCIES FOR BRANIFF WAS ENOUGH FOR IT TO OPERATE VIABLY. STYLES EXPLAINED U.S. PREPARED GRANT NEW YORK (NOT LOS ANGELES) BUT COULD NOT DO SO UNLESS GOE READY MEET U.S. NEEDS WHICH INCLUDED MORE THAN 17 FREQUENCIES AS BASE AND SOME ARRANGEMENT HANDLE CAPACITY INCREASES THEREAFTER.

- 4. SUAREZ OFFERED NO COMMENT. STYLES POINTED OUT DANGERS OF NOT REACHING AGREEMENT, NAMELY, THAT GOE SHOULD NOT ASSUME U.S. WOULD ALLOW INCREASED ECUATORIANA FREQUENCIES EFFECTIVE DECEMBER 4. SUAREZ AGAIN OFFERED NO COMMENT.
- 5. AT FOURTH MEETING NOVEMBER 21, USDEL ADVANCED FOLLOWING OVERALL PROPOSAL:
- A. NEW YORK ADDED TO ECUADOR'S ROUTE.
- B. NEW PERMITS ISSUED TO BRANIFF AND ECUATORIANA ASAP.
- C. BASE FREQUENCY LEVEL FOR BRANIFF OF 14 ROUNDTRIPS FROM EAST COAST AND 2 FROM WEST COAST. (CURRENT LEVEL IS 8-1/2 NOW. IT WAS 11 IN JULY.) U.S. WOULD BE LIBERAL ON ECUATORIANA'S BASE LEVEL.
- D. PRESCREENING ARRANGEMENT FOR INCREASE ABOVE BASE LEVELS.
- 6. GOE DEL ACCEPTED A AND B ABOVE, OFFERED 10 EAST COAST ROUND-TRIPS AND 2 WEST COAST FOR BRANIFF, ASKED FOR 9 FOR ECUATORIANA MIAMI/NEW YORK, AND AMENDED U.S. PRESCREENING PROPOSAL TO PROVIDE VETO OVER PROPOSED FREQUENCY INCREASES. USDEL COUNTERED WITH 12 EACH COAST ROUNDTRIPS AND AMENDMENT OF PRESCREENING TO PROVIDE FOR CAPACITY FREEZE IN EVENT OF UNSUCCESSFUL EX POST FACTO CAPACITY CONSULTATIONS.
- 7. IT SOON BECAME APPARENT THAT OVERALL AGREEMENT WAS NOT POSSIBLE DUE TO FUNDAMENTAL DIFFERENCE BETWEEN U.S. VIEW THAT PROPOSED FREQUENCY OR CAPACITY INCREASE HAD TO BE ALLOWED (AFTER PRESCREENING AND NO AGREEMENT IN A PRIORI CONSULTATIONS) AND LIMITED OFFICIAL USE

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GOE VIEW THAT BILATERAL AGREEMENT REQUIRED TO INCREASE FREQUENCY OR CAPACITY. GOE DEL ASKED FOR FURTHER MEETING ON 22ND AND USDEL AGREED DELAY ITS DEPARTURE PLANS FOR THIS PURPOSE.

- 8. POSSIBLE OUTCOMES, IN ORDER DESCENDING PREFERENCE, ARE:
- A. FULL AGREEMENT. AT THIS POINT, THIS SEEMS UNLIKELY.

- B. AGREEMENT ALLOW INCREASE OF 3 ECUATORIANA ROUNDTRIP FLIGHTS AND RESTORATION BRANIFF'S 2-1/2 FLIGHTS.
- C. AGREEMENT TO PRESERVE STATUS QUO, THAT IS 4 FOR ECUATORIANA AND 8-1/2 FOR BRANIFF.
- D. NO UNDERSTANDING, WITH IMPLICATION U.S. MIGHT NOT ALLOW ECUATORIANA FREQUENCY INCREASE AND PERHAPS GOE WILL REDUCE BRANIFF FURTHER.
- 9. UNLESS THERE IS SOME FUNDAMENTAL CHANGE IN GOE POSITION, USDEL WILL ATTEMPT ACHIEVE OUTCOME IN PARA 8(B) ABOVE. IN VIEW PROCEDURAL REQUIREMENTS OF PART 213, ORDER DISAPPROVING ECUATORIANA'S INCREASE SHOULD GO FORWARD, PENDING FINAL REPORT BY USDEL OF OUTCOME MEETING ON 22ND.

  BREWSTER

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